

SBC - Michigan Study

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005-2008

September 2004



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Cost Study Overview & Methodology

Double click on the file below for a detailed Overview & Methodology write-up



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Service Order
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Overview and Methodology

Purpose

The purpose of this cost study is to provide updated costs for PIC and LPIC Change orders. For reference, an acronym glossary is included as a separate tab within this cost study.

Service Description

Presubscription is a procedure whereby an end user may select and designate to the Telephone Company an Interexchange Carrier (IC) to access, without dialing an access code, for interLATA and intraLATA calls. This IC is referred to as the end user's primary IC. A charge associated with interLATA is a PIC. A charge associated with intraLATA is a LPIC.

Rate Element Descriptions

Cost per PIC Change or LPIC Change per change

Activity-Based Costing

Activity-Based Costing is a widely used method of identifying costs. The structure of an ABC study is based on the fact that activities performed by the company consume resources, and these resources have a specifically identifiable cost. Activities, then, are used to provide services. This gives a logical, easy-to-follow flow through the costing procedure.

Activity-Based Costing uses a number of specific terms, such as *resource*, *activity*, *cost object*, and *drivers* which have simple, yet special meanings.

- A *resource* can be a piece of equipment, a labor rate, or a vendor contracted expense.
- An *activity* is an action that consumes resources. The cost of the activity is calculated based on the cost of the resources that the activity consumes, and the resource driver, or the quantity of resources the activity consumes.
- A *cost object* is a product (i.e., PIC Change).
- *Drivers* are specific units that represent quantities of activities and resources. For example, time in minutes, or orders per line may be drivers. Resource drivers are the quantity of resources consumed by an activity. Activity drivers are the number of activities necessary to provide the service.

The Basics of Activity-Based Costing are:

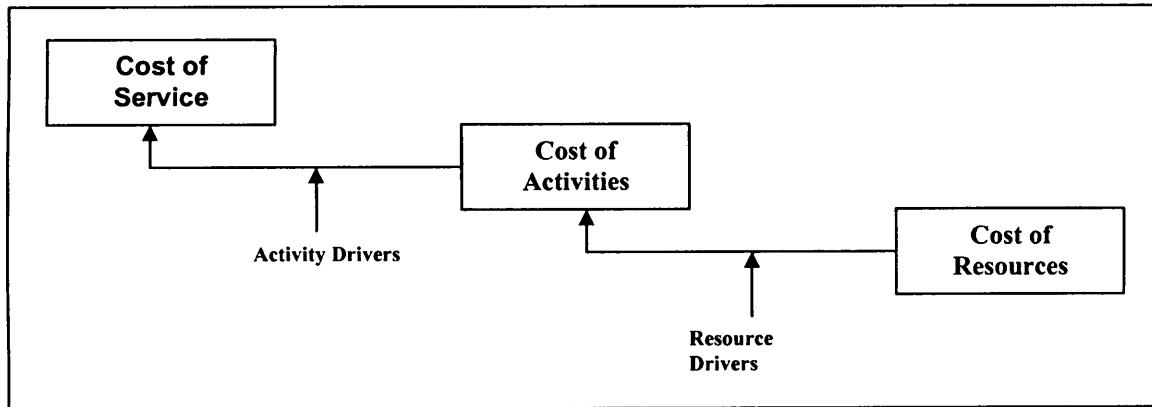
- Cost objects (i.e., services) are provided by activities.
- Activities consume resources.
- Consumption of resources drives costs.

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Figure 1 illustrates the flow of Activity-Based Costing.

Figure 1



Line and Change Quantity Efficiency

Customers may have more than one access line and ask to have their PIC changed on multiple lines on the same request (or order). In addition, on the same request, the same customer may also request LPIC changes on the same lines. There are efficiencies associated with performing PIC changes on multiple lines and performing a LPIC change at the same time as a PIC change. This efficiency is included in the cost results.

The SMEs provided time estimates that represent the total activity time required to make all changes on all lines on an average size request. In other words, the SMEs, based on their experience processing requests, estimated an average number of changes required on a request and provided the total time to process all changes. The Bill of Costs tab adjusts the per request costs to per change by multiplying the resulting business channel costs by orders per change (or the inverse of changes per order), thereby accounting for any line and change quantity efficiencies resulting from multiple lines or changes per line on the same request.

Labor Rates

The labor rate represents the cost to SBC of a single hour of labor. The labor rate is inflated (based on the Consumer Price Index) to the midpoint of the study period to make the labor cost representative of the entire study period. A more detailed discussion of labor rates and inflation factors is found later in this methodology.

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Inflation Factors

Inflation Factors are utilized to provide one cost over a multi-year period. The inflation factors are developed by using the forecast of the Consumer Price Index (CPI). The CPI represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included.

Labor Rate Development Methodology

Labor rates identify the cost to the firm of consuming a particular resource—an hour of labor. Labor rates begin with a basic hourly wage or salary, and then include costs directly caused by labor that are not captured in the basic wage. These other direct labor costs include:

- break time and/or tour length costs,
- paid absence costs,
- special payments such as team awards and recognition,
- payroll taxes, pension costs, benefit costs,
- support assets, including capital costs associated with support assets
- Other direct costs such as travel and training, and clerical support and supervision.

Labor rates are developed at the proper level of detail to provide accurate costs for specific activities. First, SBC looks at specific groups of function codes (which designate a specific job function) or activity codes (which designate a specific job activity). These function/activity codes are part of SBC's functional accounting system used to report expenses company-wide. For example, 21XX is the group of all wages and expenses charged to function codes or activity codes that begin with "21", which in this example represents Operator Services functions and activities.

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Within the specific group, SBC develops labor rates by Market Zone (for management employees) or Wage Category (for non-management employees). The Market Zone and Wage Category are specific job classifications that determine how much the company pays for a particular job.

The Labor rates in this study begin with an average wage per hour from payroll records. SBC derives relationships of expenses to wages, or expenses to hours worked, to develop labor factors or loadings that it then applies to basic wages to produce total hourly labor cost. All base labor rates in this study represent calendar year 2003. If SBC did not have current labor base rates for a particular state or job title, the most recent labor rate available was adjusted by bringing the basic wage portion of the labor rate current and updating the benefit factor using the most recent data available.

For more information, separate Labor Rate Development documentation is available.

Cost Study Assumptions and Parameters

- TSLRIC Methodology
- Add/remove PIC protection costs are in the PIC change charge
- Slamming costs are included in the PIC change charge
- Study period is 2005 – 2008
- Labor Rates are base year 2003, adjusted to 2006, which is the midpoint of the planning period (2005 – 2008)

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| Results | | | | | |
|----------------|------------------------------------|---|--|-------------------------------|--|
| (A) | (B) | (C) | (D) | (E) | |
| Line | Cost Element | Total Cost Source: <i>Bill or Costs</i> | Overhead Factor Source: <i>Input</i> | Total Rate $(E)=(C)*(1+D)$ | |
| 1 | PIC / LPIC Charge, Cost per Change | \$3.79 | 32.17% | \$5.01 | |

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Bill of Costs

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| Bill of Costs | | | | | | |
|---|---|---------------------------------------|--|------------------------------|--|----------------------------|
| Ln | Cost Element / Activities | Activity | | | Activity Driver Description | Activity Cost (G=C*D*E) |
| | | Unit Activity Cost Source: BOAC | Driver (Orders per Change) Source: Drivers | Driver Source: Drivers | | |
| PIC / LPIC Charge, Cost per Change | | | | | | |
| 1 | Change PIC for "Customer Care Center" | \$5.75 | 0.50 | 77.3% | % of manual orders worked by Consumer Customer Care center | \$2,240 |
| 2 | Change PIC for "Global Markets" | \$45.54 | 0.02 | 0.9% | % of manual orders worked by Global Markets center | \$0.008 |
| 3 | Change PIC for "Non Complex Accounts" (Value) | \$9.90 | 0.21 | 4.0% | % of manual orders worked by Non Complex (Value) center | \$0.090 |
| 4 | Change PIC for "Complex Accounts - Sales" (Signature) | \$10.36 | 0.12 | 1.0% | % of manual orders worked by Complex -Sales (Signature) | \$0.012 |
| 5 | Change PIC for "Complex Accounts - Sales Support" (Signature) | \$30.15 | 0.12 | 0.3% | % of manual orders worked by Complex - Sales Support | \$0.010 |
| 6 | Change PIC for "ISDN Call Center (Prime)" | \$31.51 | 0.01 | 0.003% | % of manual orders worked by ISDN Prime center | \$0.00013 |
| 7 | Change PIC for "ISDN Call Center (Direct)" | \$28.40 | 0.50 | 0.0% | % of manual orders worked by ISDN Direct center | \$0.000 |
| 8 | Change PIC for "ISDN Call Center (Centrex)" | \$28.40 | 0.01 | 0.017% | % of manual orders worked by ISDN Centrex center | \$0.00003 |
| 9 | Change PIC for "GEM" | \$4.72 | 0.13 | 1.2% | % of manual orders worked by GEM center | \$0.008 |
| 10 | Add PIC protection for "Customer Care Center" | \$1.16 | 0.50 | 0.0065 | Ratio of Consumer Customer Care Adds to Total PIC Changes | \$0.038 |
| 11 | Add PIC protection for "Global Markets" | \$37.29 | 0.02 | 0.0006 | Ratio of Global Markets Adds to Total PIC Changes | \$0.0004 |
| 12 | Add PIC protection for "Non Complex Accounts" (Value) | \$2.98 | 0.21 | 0.0011 | Ratio of Non Complex Adds to Total PIC Changes | \$0.0007 |
| 13 | Add PIC protection for "Complex Accounts - Sales" (Signature) | \$3.12 | 0.12 | 0.0009 | Ratio of Complex - Sales Account Adds to Total PIC Changes | \$0.0003 |
| 14 | Add PIC protection for "Complex Accounts - Sales Support" (Signature) | \$2.53 | 0.12 | 0.0003 | Ratio of Complex - Sales Support Account Adds to Total PIC Changes | \$0.0001 |
| 15 | Add PIC protection for "ISDN Call Center (Prime)" | \$22.07 | 0.01 | 0.00004 | Ratio of ISDN Prime Adds to Total PIC Changes | \$0.000001 |
| 16 | Add PIC protection for "ISDN Call Center (Direct)" | \$22.07 | 0.50 | 0.0000 | Ratio of ISDN Direct Adds to Total PIC Changes | \$0.00000 |
| 17 | Add PIC protection for "ISDN Call Center (Centrex)" | \$22.07 | 0.01 | 0.00002 | Ratio of ISDN Centrex Adds to Total PIC Changes | \$0.000002 |
| 18 | Add PIC protection for "GEM" | \$4.56 | 0.13 | 0.0020 | Ratio of GEM Adds to Total PIC Changes | \$0.0012 |
| 19 | Add PIC/LPIC Protection (outside vendor) - Personix | \$36,610.56 | | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.0137 |
| 20 | Add PIC/LPIC Protection (outside vendor) - CMi Aspen | \$7,956.55 | | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.0030 |

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Bill of Costs

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| Bill of Costs | | | | | | |
|---------------|---|--------------------------------------|--|--|-------------------------|--------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| Ln | Cost Element / Activities | Unit Activity Cost Source: BOAC | (Orders per Change) Driver Source: Drivers | Activity Driver Description | Activity Cost (G=C*D*E) | |
| 21 | Remove PIC protection for "Customer Care Center" | \$1.17 | 0.50 | 0.0006 Changes | \$0.0003 | |
| 22 | Remove PIC protection for "Global Markets" | \$42.31 | 0.02 | 0.0007 Ratio of Global Markets Removes to Total PIC Changes | \$0.0006 | |
| 23 | Remove PIC protection for "Complex Accounts - Sales" (Signature) | \$4.81 | 0.12 | 0.0004 Ratio of Complex - Sales Removes to Total PIC Changes | \$0.0002 | |
| 24 | Remove PIC protection for "Complex Accounts - Sales Support" (Signature) | \$4.90 | 0.12 | 0.0001 Ratio of Complex - Sales Support Removes to Total PIC Changes | \$0.0001 | |
| 25 | Remove PIC protection for "ISDN Call Center (Prime)" | \$22.07 | 0.01 | 0.00004 Ratio of ISDN Prime Removes to Total PIC Changes | \$0.00001 | |
| 26 | Remove PIC protection for "ISDN Call Center (Direct)" | \$22.07 | 0.50 | 0.0000 Ratio of ISDN Direct Removes to Total PIC Changes | \$0.0000 | |
| 27 | Remove PIC protection for "ISDN Call Center (Centrex)" | \$22.07 | 0.01 | 0.00002 Ratio of ISDN Centrex Removes to Total PIC Changes | \$0.00002 | |
| 28 | Remove PIC protection for "GEM" | \$4.56 | 0.13 | 0.0016 Ratio of GEM Removes to Total PIC Changes | \$0.0016 | |
| 29 | Remove PIC/LPIC Protection (outside vendor) - Telespectrum | \$10,194.16 | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.0038 | |
| 30 | Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - All PIC Changes | \$42,985.95 | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.016 | |
| 31 | Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - Manual PIC Changes | \$137,309.07 | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.051 | |
| 32 | Provide Slammer Administration support | \$71,089.50 | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.027 | |
| 33 | Provide Change Order Confirmation Letter to the Customer | \$609,651.56 | 0.00000037 | 1/Total PIC-LPIC Transactions | \$0.228 | |
| 34 | Provide TPV for a consumer customer care PIC/LPIC change | \$0.81 | 0.50 | 77.29% % of manual orders worked by Consumer Customer Care center | \$0.313 | |
| 35 | Provide TPV for a business non complex PIC/LPIC change | \$0.06 | 0.21 | 4.03% % of manual orders worked by Non Complex (Value) center | \$0.0005 | |
| 36 | Provide TPV for a business non complex PIC/LPIC add protect | \$0.0009 | 0.21 | 4.03% % of manual orders worked by Non Complex (Value) center | \$0.000080 | |
| Ln | Cost Element / Activities | Unit Activity Cost Source: Input Tab | Orders / PIC Source: Drivers | Activity Driver Description | Activity Cost (G=C*D) | |
| 37 | Provide Service Order Computer cost, per order | \$0.98 | 0.350 | PIC/LPICS per Order - Wtd. Avg based on service orders | \$0.34 | |
| 38 | Provide PIC IT Cost, per PIC change | \$0.42 | n/a | n/a | \$0.42 | |
| 39 | Total Cost > SUM (LN 1....38) | | | | | \$3.79 |

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Bill of Activity Costs

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| Bill of Activity Costs | | | | | | | | | | | |
|--|---|-----------|------------------------|--|----------------------|-----------------------|------------------------------------|--|--|--|--|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | | | | |
| Ln | Activities / Resources | Workgroup | Job Title | Unit Resource Cost (\$/hr) Source: BORC | Resource Drivers | | | | | | |
| | | | | | Minutes (Initial) | Percent Occurrence | Resource Cost <i>(H=E*G*FG)</i> | | | | |
| Change PIC for "Customer Care Center" | | | | | | | | | | | |
| Call into CCC by customer or carrier calls with the customer on-line (3-way). The CTI system provides the representative with the customer's account information. Service rep greets the customer, identifies the name of the caller and determines the reason for the call. Customer advises rep they would like to make a PIC or LPIC change on their account. | | | | | | | | | | | |
| 1 | Accesses ASON+ to make the PIC or LPIC change order. | Consumer | Service Representative | \$55.88 | 1.00 | 100% | \$0.93 | | | | |
| 2 | Accesses the AAC1 screen in ASON+ to make the LPIC change on the EAC1 screen to make the PIC change. | Consumer | Service Representative | \$55.88 | 0.50 | 100% | \$0.47 | | | | |
| 3 | Allege a slam by customer, rep explains rights, completes a slamming complaint form and sends a follow up to the Slamming Complaint Resolution Team for future adjustments if needed. | Consumer | Service Representative | \$55.88 | 1.50 | 100% | \$1.40 | | | | |
| 4 | Ask permission to remove slamming protection by verifying the last 4 digits of the SSN. If permission is granted, the protection is removed. If not, order is cancelled. | Consumer | Service Representative | \$55.88 | 4.00 | 5% | \$0.19 | | | | |
| 5 | Recaps the order activity with the customer to ensure order accuracy. | Consumer | Service Representative | \$55.88 | 2.00 | 5% | \$0.09 | | | | |
| 6 | Change was to Ameritech, SBC or SBCLD from anything other than None or Undecided, a third party verification is done by accessing the Calibrous website, completing the necessary fields, receiving a record locator number, answering any final questions from the customer, asking satisfaction questions and transferring the caller to the TPV agent. | Consumer | Service Representative | \$55.88 | 1.00 | 100% | \$0.93 | | | | |
| 7 | Completes order, thanks the customer and terminates the call. | Consumer | Service Representative | \$55.88 | 0.50 | 100% | \$0.47 | | | | |
| 8 | Send, by ACTS, the order to the appropriate downstream departments to complete the work. | Consumer | Service Representative | \$55.88 | 0.00 | 100% | \$0.00 | | | | |
| 9 | Review service order for error and correct if necessary | Consumer | Technical Specialist | \$54.77 | 7.50 | 2% | \$0.14 | | | | |
| 10 | Removes LPIC or PIC change and any associated calling plans or cancels order if TPV fails | Consumer | Service Representative | \$55.88 | 5.00 | 5% | \$0.23 | | | | |
| 11 | | | | | | | \$5.75 | | | | |
| 12 | Unit Activity Cost > SUM (Ln 1....11) | | | | | | | | | | |

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| Bill of Activity Costs | | | | | |
|---|--|--|--|--|--|
| Add PIC protection for "Customer Care Center" | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 13 Receive call from customer into CCC and advises want to add PIC or LPIC protection to account. The service rep sends the customer an application via Mechanized Forms & Letters (MFL). | | | | | |
| 14 Note the account by rep. Forward to outside vendor for completion. | | | | | |
| 15 Unit Activity Cost > SUM (LN 13.....14) | | | | | |
| Remove PIC protection for "Customer Care Center" | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 16 Receive call from customer into VRU, CCC or Carrier calls into CCC on 800# with the customer on-line (3 way call). Rep obtains customer's information and accesses customer's account. Customer advises rep they would like to remove PIC or LPIC protection from their account. | | | | | |
| 17 Access ASON+ EAC1/AAC1 screen to remove PIC/LPIC protection. (IF VRU used, same questions are asked-order is sent through Service Order Generator to process order) Rep asks to verify account by requesting bill names social security number or date of birth. | | | | | |
| 18 Recap the order activity with the customer to ensure order accuracy. | | | | | |
| 19 Unit Activity Cost > SUM (LN 16.....18) | | | | | |
| \$1.17 | | | | | |

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Bill of Activity Costs

Chancery BIC for "Global Markets"

- | Change # | | PIC / LOA | | Global Markets | |
|----------|--|-----------|------------------------|----------------|---------|
| 20 | Customer call to request PIC or LPIC change; customer records are reviewed. | Global | Service Representative | \$55.26 | 1.15 |
| 21 | Request customer to fax or email request and to complete a Letter of Authorization (LOA). If changing PIC/LPIC to SBC Midwest, ask customer's permission to remove PIC protection if customer has it. | Global | Service Representative | \$55.26 | 1.15 |
| 22 | Customer requests rep to reinstate PIC protection after carrier change is completed. Rep provides instructions to reinstate PIC protection. | Global | Service Representative | \$55.26 | 3.00 |
| 23 | Email/fax LOA to customer if customer changing LPIC to SBC Midwest. Fax/email requests and LOAs are received. Copies are pulled and fax info. cover sheet is prepared that will be returned to the customer with order info. | Global | Service Representative | \$55.26 | 2.00 |
| 24 | Log in fax/email for tracking. | Global | Clerical Associate | \$55.79 | 2.00 |
| 25 | Distribute request to service rep. | Global | Clerical Associate | \$55.79 | 1.00 |
| 26 | Access ASON to place order to remove PIC Protection. | Global | Clerical Associate | \$55.79 | 1.00 |
| 27 | Access ASON to make change and place order using the appropriate screen for PIC or LPIC. | Global | Service Representative | \$55.26 | 15.00 |
| 28 | Issue third order in ASON to reinstate freeze with a due date after the change order. | Global | Service Representative | \$55.26 | 30.00 |
| 29 | End order and fill out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date, order numbers, and customer. | Global | Service Representative | \$55.26 | 1.00 |
| 30 | Fax cover sheet back to customer and file and/or email confirmation to customer. | Global | Service Representative | \$55.26 | 2.00 |
| 31 | Unit Activity Cost > SUM (LN 20....31) | | | | 100% |
| 32 | | | | | \$1.20 |
| 33 | Add PIC protection for "Global Markets" | | | | \$45.54 |
| 34 | ACTIVITY BEGINS WITH | | | | |
| 35 | Call from customer to add PIC or LPIC protection to account. Customer records are reviewed. | Global | Service Representative | \$55.26 | 1.15 |
| 36 | Email/fax applicable LOA to customer. | Global | Service Representative | \$55.26 | 2.00 |
| 37 | Fax/email requests and LOAs are received. Copies are pulled and fax info. cover sheet is prepared that will be returned to the customer with order info. | Global | Clerical Associate | \$55.79 | 1.00 |
| 38 | Access ASON to make change and place order using the appropriate screen for PIC or LPIC. | Global | Clerical Associate | \$55.79 | 1.00 |
| 39 | End order and fill out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date and order numbers. | Global | Service Representative | \$55.26 | 30.00 |
| 40 | ACTIVITY ENDS WITH: | | | | |
| 41 | Fax cover sheet back to customer and file. | Global | Service Representative | \$55.26 | 2.00 |
| 42 | Unit Activity Cost > SUM (LN 33....40) | | | | 100% |
| 43 | | | | | \$1.84 |
| 44 | | | | | \$1.20 |
| 45 | | | | | \$37.29 |

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| Bill of Activity Costs | | | | | |
|---|---|--------|------------------------|---------|----------------|
| Remove PIC protection for "Global Markets" | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 42 | Receive customer call on a 3-way call with the carrier to remove PIC or LPIC protection. Customer records are reviewed. | Global | Service Representative | \$55.26 | 1.15 |
| 43 | Verify (Corp Tax Number, Billing Name, etc.) with customer to remove PIC protection. Provides due date and asks the carrier to drop from the line. | Global | Service Representative | \$55.26 | 2.15 |
| 44 | Reinstate PIC protection after carrier change is completed. Rep provides instructions to reinstate PIC protection. Customer is requested to fax/email request. Entire request is recapped and customer leaves line. | Global | Service Representative | \$55.26 | 2.30 |
| 45 | Access ASON to place order using the appropriate screen. | Global | Service Representative | \$55.26 | 1.00 |
| 46 | Email/Fax applicable LOA to customer to reinstate protection. Fax/email requests and LOA are received. Copies are pulled and faxed. | Global | Service Representative | \$55.26 | 2.00 |
| 47 | Cover sheet is prepared that will be returned to the customer with order info. | Global | Clerical Associate | \$55.79 | 2.00 |
| 48 | Log in fax/email for tracking. | Global | Clerical Associate | \$55.79 | 1.00 |
| 49 | Distribute request to service rep. | Global | Clerical Associate | \$55.79 | 1.00 |
| 50 | Access ASON to make change and place order using the appropriate screen for PIC or LPIC. | Global | Service Representative | \$55.26 | 30.00 |
| 51 | End order and fill out the cover sheet to be sent to customer to verify completion of order. | Global | Service Representative | \$55.26 | 2.00 |
| 52 | ACTIVITY ENDS WITH: | Global | Service Representative | \$55.26 | 1.30 |
| 53 | Fax cover sheet back to customer and file. | | | | \$32.31 |

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Bill of Activity Costs

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Bill of Activity Costs**Change PIC for "Non Complex Accounts" (Value)**ACTIVITY BEGINS WITH:
request.

| Activity | Description | Complexity | Service Representative (W/d) | Cost | Percent | |
|----------|---|-------------|------------------------------|---------|---------|-------------|
| 54 | Answer the call (greeting, compliance statement), acknowledge customer request. | Non Complex | Service Representative (W/d) | \$57.80 | 0.50 | 100% \$0.48 |
| 55 | Clarify requests PIC or LPIC or both. Negotiates TNS where changes are to be made. Validate availability of requested carrier(s). | Non Complex | Service Representative (W/d) | \$57.80 | 2.30 | 100% \$2.22 |
| 56 | Access account in ESON. Review account for pending service orders to determine impact. Access screen(s) to make carrier change. Correct any system errors. | Non Complex | Service Representative (W/d) | \$57.80 | 2.00 | 100% \$1.93 |
| 57 | Ask for permission to remove protection if customer has slamming protection on their account. If permission is granted, protection is removed. If not, order is canceled. | Non Complex | Service Representative (W/d) | \$57.80 | 0.50 | 30% \$0.14 |
| 58 | Explain rights if customer alleges slam. Issue correcting service order to switch carrier back. Issue adjustment in BI & forward to SCRT for additional follow-up. This process varies slightly depending on the quantity of calls that require an adjustment & whether or not SBC provides inquiry for the LD carrier. | Non Complex | Service Representative (W/d) | \$57.80 | 2.00 | 20% \$0.39 |
| 59 | Recap of all elements of order. PIC or LPIC changes. Provide customer with service order number, due date, charges and usage. Offer additional assistance. Script tag, rate call, note BI account, release/store service order. | Non Complex | Service Representative (W/d) | \$57.80 | 2.25 | 100% \$2.17 |
| 60 | Access TPI website if LPIC change back to SBC Midwest or PIC or LPIC to SBCLD to complete the transfer of customer to Third Party Verification (TPV). Provide TPV agent with required information. Add customer to call & drop off. Note date for follow-up. | Non Complex | Service Representative (W/d) | \$57.80 | 2.25 | 7% \$0.15 |
| 61 | Review of follow-ups for applicable date. Access account in BI & check number for TPV. If TPV number present, note account & release order. If TPV number not present, set aside follow-up date. | Non Complex | Service Representative (W/d) | \$57.80 | 2.25 | 7% \$0.15 |
| 62 | Review of 2nd follow-up. access account in BI. If TPV number present, note account & release order. If TPV number not present, cancel/purge order. | Non Complex | Service Representative (W/d) | \$57.80 | 2.25 | 100% \$2.17 |
| 63 | Correct error if necessary, resend order | Non Complex | Service Representative (W/d) | \$57.80 | 2.00 | 5% \$0.10 |
| 64 | Unit Activity Cost > SUM (LN 54....63) | | | | | \$9.90 |

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| Bill of Activity Costs | | | | | | |
|--|--|-------------|------------------------------|---------|------|------------------|
| Add PIC protection for "Non Complex Accounts" [Value] | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 65 | Answer the call (greeting, compliance statement). Customer advises they want to add PIC or LPIC protection to account. | Non Complex | Service Representative (W/d) | \$57.80 | 1.00 | 100% |
| 66 | Access account in ESON and place an order to add PIC or LPIC protection on account. The order completes automatically. The service rep transfers call to Third Party Verification (TPV) group and drops off the call. | Non Complex | Service Representative (W/d) | \$57.80 | 1.00 | 100% |
| 67 | Receive the next day a TPV report into the business office. If the order was not authorized at the TPV group, follow-up is made. Subsequent R order is issued to add PIC or LPIC protection and, if was approved, a Permit note is made on the account to show that the TPV was authorized and the TPV number. | Non Complex | Service Representative (W/d) | \$57.80 | 1.00 | 100% |
| 68 | Correct error if necessary, resend order | Non Complex | Service Representative (W/d) | \$57.80 | 2.00 | 5% |
| 69 | Unit Activity Cost > SUM (LN 65.....68) | | | | | \$0.10 \$2.98 |
| Change PIC for "Complex Accounts - Sales" (Signature) | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 70 | Answer the call (greeting, compliance statement), acknowledge customer request. | Sales | Service Representative | \$57.85 | 1.00 | 100% |
| 71 | Clarify request PIC or LPIC or both. Negotiates TNs where changes are to be made. Validate availability of requested carrier(s). If necessary, access Reference Delivery Automation (RDA) to verify carrier PIC code. | Sales | Service Representative | \$57.85 | 2.00 | 100% |
| 72 | Access account in ASON or ASON+. Review account for pending service orders to determine impact. Correct any system errors. | Sales | Service Representative | \$57.85 | 1.00 | 100% |
| 73 | Changing PIC/LPIC to SBC an LOA is required | Sales | Service Representative | \$57.85 | 5.00 | 1% |
| 74 | Assign rights if customer alleges a slam, issue correcting service order to switch carrier back, issue adjustment in BI & forwards to SCRT for additional follow-up. This process varies slightly depending on the quantity of calls that require adjustment and whether or not SBC provides inquiry for the LD Carrier. | Sales | Service Representative | \$57.85 | 5.00 | 5% |
| 75 | Ask for permission to remove protection if customer has slamming protection. If permission is granted, protection is removed. If not, order is canceled. | Sales | Service Representative | \$57.85 | 1.00 | 5% |
| 76 | Access ASON and issue an order to change the carrier from the old carrier to the new carrier. Send order. | Sales | Service Representative | \$57.85 | 5.00 | 100% |
| 77 | Recap of all elements of order. PIC or LPIC changes. Provide customer with service order number, due date, charges and usage. Offer additional assistance. Script tag rate call, note BI account, release/store service order. | Sales | Service Representative | \$57.85 | 1.40 | 100% |
| 78 | Unit Activity Cost > SUM (LN 65.....77) | | | | | \$10.36 |

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study

2005-2008

September 2004

Bill of Activity Costs

Add PIC protection for "Complex Accounts - Sales" (Signature)

ACTIVITY BEGINS WITH:
79 Answer the call (greeting, compliance statement). Customer advises wants to add PIC or LPIC protection to account.
80 Email/fax applicable LOA (blank form) to customer to complete and return.

81 Return, by customer, LOA via mail to the assigned customer advocate in the center. Service rep reviews form for accuracy and completeness.

Access account in ASON or ASON+ and place an order to add PIC or LPIC protection on account. This order will add PIC or LPIC protection to all lines on the account.

83 Unit Activity Cost > SUM (LN 79,...,82)

Remove PIC protection for "Complex Accounts - Sales" (Signature)

Request to remove PIC protection and letter of authorization (LOA) are emailed or faxed into the center from the Account Executive or Sales Center. Review request.
84 Call requestor for copy of LOA if not included with the request!

85 Access account in ASON and remove PIC/LPIC protection. The order removes PIC/LPIC protection from all lines on the account.

86 Send the order to the appropriate downstream departments to complete the work.

88 Unit Activity Cost > SUM (LN 84,...,87)

Change PIC for "Complex Accounts - Sales Support" (Signature)

ACTIVITY BEGINS WITH:
89 Request to change PIC or LPIC are emailed or faxed into the center from the Account Executive or Sales center. Review request.

90 Look at ACS Billing Inquiry (BI) System records to verify current carrier for PIC, LPIC, PIC Protection Initiative.

91 Changing PIC/LPIC to SBC can LOA is required

92 Access Reference Delivery Automation (RDA) to verify carrier PIC code.

93 Verify correct PIC code for carrier of choice. Some carriers have multiple PIC's under different names & some have PIC's that we can not add.

94 Access ASON and issue an order to change the carrier from the old carrier to the new carrier. Send order.

95 Pull up Bill Inquiry screen and note order information (what was done on the account).

Access on-line system, complete and fax order confirmation form to Account Executive or Sales center. Order confirmation form consists of 2 pages of information, i.e. originator name and fax, customers name, tracking number, sales code #, contract info, PIC or LPIC.

97 Close account in Productivity Order Profile (POP)

98 Unit Activity Cost > SUM (LN 89,...,97)

SBC - Michigan Study

Bill of Activity Costs

**Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study**

2005-2008

September 2004

| Bill of Activity Costs | | | | | |
|--|--|--|--|--|--|
| Add PIC protection for "Complex Accounts - Sales Support" (Signature) | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 99 Requests to add PIC or LPIC protection and Letter of Authorization (LOA) are emailed or faxed into the center from the Account Executive or Sales center. Review request. | | | | | |
| 100 Call requestor for copy of LOA if not included with request. | | | | | |
| 101 Access account in ASON and add PIC or LPIC protection on account. This order adds PIC or LPIC protection to all lines on account. | | | | | |
| 102 Unit Activity Cost > SUM (LN 99,...101) | | | | | |
| Remove PIC protection for "Complex Accounts - Sales Support" (Signature) | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 103 Requests to remove PIC protection and letter of authorization (LOA) are emailed or faxed into the center from the Account Executive or Sales center. Review request. | | | | | |
| 104 Call requestor for copy of LOA if not included with the request. | | | | | |
| 105 Access account in ASON and remove PIC/LPIC protection. The order removes PIC/LPIC protection from all lines on the account. | | | | | |
| 106 Send the order to the appropriate downstream departments to complete the work. | | | | | |
| 107 Unit Activity Cost > SUM (LN 103,...106) | | | | | |

SBC - Michigan Study

Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study

2005-2008

September 2004

| Bill of Activity Costs | | | | | | |
|--|--|--|--|--|--|--|
| Change PIC for "ISDN Call Center (Prime)" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 108 Requests to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center. | | | | | | |
| Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS). | | | | | | |
| Validate request is filled out correctly and all required information is obtained. i.e., BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | | | | | | |
| Access Electronic Processing (EPRO) System and enter required information, i.e., billing info, authorized distributor info, order info. | | | | | | |
| 110 Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information. | | | | | | |
| Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC or LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders. | | | | | | |
| 112 Verify LOA is included with request. If no LOA, check BI for permanent notation. | | | | | | |
| 113 If no LOA and no permanent notation in BI, call originator of request and request LOA be emailed or faxed. | | | | | | |
| 114 Access RDA system, verify/obtain the correct PIC or LPIC code for the carrier requested. | | | | | | |
| Issue SPS order. | | | | | | |
| 115 Access SPS, enter Billed Telephone Number (BTN) and issue new order information to make the changes to PIC. Note details of request | | | | | | |
| Issue ASON (ACIS order/record change) order and verify order goes 2 Pending. | | | | | | |
| Access ASON and manually create the order from scratch. | | | | | | |
| Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2P. (2P means the order is pending, there are no errors on the order, the order is ready to flow through on the due date and the order flows to downstream departments). If order goes 1P (Pending error out; normally formatting error on PIC changes), MSS corrects order, end order and pulls order back up to view to ensure the order has flowed through to 2P. | | | | | | |
| 117 Access hole screen in BI system, and note order information. | | | | | | |
| 118 Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email. | | | | | | |
| 119 ACTIVITY ENDS WITH: Access POP system, pull up track number and complete the request. | | | | | | |
| 120 Unit Activity Cost > SUM (LN 108....119) | | | | | | |
| | | | | | | |

SBC - Michigan Study

Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study

2005-2008

September 2004

| Bill of Activity Costs | | | | | | |
|---|--|--|--|--|--|----------------|
| Add PIC protection for "ISDN Call Center (Prime)" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| Request to add PIC or LPIC protection and Letter of Authorization (LOA) are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center. | | | | | | |
| 121 | | | | | | |
| Review request, load into Productivity Order Profile (POP) system and assign to MSS. | | | | | | |
| Validate request is filled out correctly and all required information is obtained, i.e., BIN, customer account information, Project Manager information, etc. Access POP System and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | | | | | | |
| 122 | | | | | | |
| Access Electronic Processing (EPRO) system and enter required information, i.e., billing info, authorized distributor info, order info. | | | | | | |
| 123 | | | | | | |
| Approximately 30-50 entities may be required to be populated (customer name, bill telephone number, order number, circuit information, telephone number of where PIC code), EPRO contains a lot of detailed tracking information. | | | | | | |
| 124 | | | | | | |
| Check PPC process in RDA to verify all paperwork received for the add | | | | | | |
| 125 | | | | | | |
| Call originator of request if no LOA and no perm notation in BI and request LOA be emailed or faxed. | | | | | | |
| 126 | | | | | | |
| Issue ASON (ACIS order/record change) order and verify order goes 3C (Complete). | | | | | | |
| 127 | | | | | | |
| Access ASON and manually create the (R order) Record Order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete). | | | | | | |
| 128 | | | | | | |
| Access note screen in BI system and note order information, scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete). | | | | | | |
| 129 | | | | | | |
| ACTIVITY ENDS WITH: | | | | | | |
| 129 | | | | | | |
| Access POP system, pull up track number and complete the request. | | | | | | |
| Unit Activity Cost > SUM (LN 121....129) | | | | | | |
| | | | | | | \$22.07 |

SBC - Michigan Study

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005-2008

Sommer 2004

| Remove PIC protection for "ISDN Call Center (Prime)" | | Bill of Activity Costs | |
|---|-----|------------------------|-----------------------------------|
| ACTIVITY BEGINS WITH: | | | |
| Request to remove PIC or LPIC protection and Letter of Authorization (LOA) are emailed or faxed from the center to the Authorized Distributor. Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for requests is in the Center. | BCS | Technical Associate | \$58.85 1.00 100% \$0.98 |
| Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS). Validate request is filled out correctly and all required information is obtained. i.e. BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | BCS | Technical Associate | \$58.85 5.00 100% \$4.90 |
| Access Electronic Processing (EPRO) system and enter required information, i.e. billing info, authorized distributor info, order info. Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, circuit number, circuit information, telephone number of where PIC code). EPRO contains a lot of detailed tracking information. | BCS | Technical Associate | \$58.85 5.00 100% \$4.90 |
| Check PPC process in RDA to verify all paperwork received for the request, ex. (LOA, PPC remove form). Call originator of request if no LOA and no perm notation in BI and request LOA be emailed or faxed. | BCS | MSS | \$69.13 0.50 100% \$0.58 |
| Issue ASON (ACIS order/record change) order and verify order goes 3C (Complete). | BCS | MSS | \$69.13 1.50 20% \$0.35 |
| Access ASON and manually create the (R order) Record Order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete). | BCS | MSS | \$69.13 5.00 100% \$5.76 |
| Access note screen in BI System and note order information. | BCS | MSS | \$69.13 1.00 100% \$1.15 |
| Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email. | BCS | MSS | \$69.13 2.00 100% \$2.30 |
| ACTIVITY ENDS WITH: | | | |
| Access POP system, pull up track number and complete the request. | BCS | MSS | \$69.13 1.00 100% \$1.15 |
| ACTIVITY COSTS SUMMARY | 130 | 131 | \$22.07 |

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Change Charge**Nonrecurring Cost Study**

2005-2008

September 2004

Bill of Activity Costs***Change PIC for "ISDN Call Center (Direct)"***

ACTIVITY BEGINS WITH:

Request to change PIC or LPIC are emailed or faxed into the center from 140 the Authorized Distributor. Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for requests is in the Center.

Review request load into Productivity Order Profile (POP) system and assign to MSS.

Vaindale request is filled out correctly and all required information is obtained, i.e., BIN, customer account information, Project Manager information, etc. Access POP System and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS.

Access Electronic Processing (EPRO) system and enter required information, i.e., billing info, authorized distributor info, order info. Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information.

Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC/LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders.

144 Verify LOA is included with request. If no LOA, check BI for perm notation.

Call originator of request if no LOA and no perm notation in BI and request LOA be emailed or faxed.

145 Access RDA system, verify/obtain the correct PIC/LPIC code for the carrier requested.

Issue ASON (ACIS order/record change) order and verify order goes 2Pending.

Access ASON and manually create the order from scratch.

Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2Pending. 147 (2Pending means the order is pending, there are no errors on the order, the order is ready to flow through on the due date and the order flows to downstream departments. 11 order goes 1Pending (error out; normally formatting error on PIC changes). MSS connects order, end order and pulls order back up to view to ensure the order has flowed through to 2Pending.

148 Access note screen in BI and note order information. Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email.

ACTIVITY ENDS WITH:

150 Access POP system, pull up track number and complete the request.

151 Unit Activity Cost > SUM (LN 140.....150) \$26.40

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005-2008

September 2004

Bill of Activity Costs

Add PIC protection for "ISDN Cell Center (Direct)"

ACTIVITY BEGINS WITH:

Request to add PIC or LPIC protection and Letter of Authorization (LOA)

152 are emailed or faxed into the center from the Authorized Distributor.

Project Manager or Sales group: Print request off email or gather

request off fax; ensure all paperwork for request is in the Center.

Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS).

Validate request is filled out correctly and all required information is obtained. (i.e., BIN, customer account information, Project Manager

information, etc. Access POP System and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS.

Access Electronic Processing (EPRO) System and enter required information, i.e., billing info, authorized distributor info, order info

153 name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information.

Check PPC process in RDA to verify all paperwork received for the add 154 PPC request, ex: (LOA, PPC and form).

155 Call originator of request if no LOA and no perm notation in BI and request. LOA be emailed or faxed.

Issue ASN (ACDS order/record change) order and verify order goes 3C (Complete).

157 Access AS/ON and manually create the (R order) Record Order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete).

158 Access note screen in BI system and note order information.

159 show request is complete. Send order confirmation to originator via fax or email.

160 ACTIVITY ENDS WITH:

Access POP system, pull up track number and complete the request.

161 Unit Activity Cost > SUM (LN 152....160)

\$22.07

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005-2008

September 2004

| Bill of Activity Costs | | | | | |
|--|--|-----|---------------------|---------|-------------|
| Remove PIC protection for "ISDN Cell Center (Direct)" | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 162. | Requests to remove PIC or LPIC protection and Letter of Authorization (LOA) are emailed or faxed into the center from the Authorized Distributor. Project Manager or Sales group. Print request off email or gather requests off fax, ensure all paperwork for request is in the Center. | BCS | Technical Associate | \$58.85 | 1.00 |
| | Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS). | | | | 100% \$0.98 |
| 163. | Validate request is filled out correctly and all required information is obtained i.e., BIN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | BCS | Technical Associate | \$58.85 | 5.00 |
| | Access Electronic Processing (EPRO) System and enter required information, i.e., billing info, authorized distributor info, order info. | | | | 100% \$4.90 |
| 164. | Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information. | BCS | Technical Associate | \$58.85 | 5.00 |
| | Access EPRO process in RDA to verify all paperwork received for the remove PIC request, ex (LOA, PIC removal form). | BCS | MSS | \$69.13 | 0.50 |
| 165. | Call originator of request if no LOA and no perm notation in BI and request LOA be emailed or faxed. | BCS | MSS | \$69.13 | 1.50 |
| | Issue ASN (ACIS order/record change) order and verify order goes 3C (Complete). | | | | 20% \$0.35 |
| 166. | Access ASN and manually create the (R order) Record Order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete). | BCS | MSS | \$69.13 | 5.00 |
| 167. | Access EPRO system and note order information. | BCS | MSS | \$69.13 | 100% \$5.76 |
| 168. | Access EPRO system, pull up track number > the appropriate field to show request is complete. Send order confirmation to originator via fax or email. | BCS | MSS | \$69.13 | 2.00 |
| 169. | | | | | 100% \$2.30 |
| 170. | ACTIVITY ENDS WITH: Access POP system, pull up track number and complete the request | BCS | MSS | \$69.13 | 1.00 |
| 171. | Unit Activity Cost > SUM (LN 162....170) | | | | \$22.07 |

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Change Charge

Nonrecurring Cost Study

2005-2008

September 2004

| Bill of Activity Costs | | | | | | |
|--|--|--|--|--|--|--|
| Change PIC for "ISDN Call Center (Centrex)" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| Request to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center. | | | | | | |
| Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS). | | | | | | |
| Validable request is filled out correctly and all required information is obtained, i.e., BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | | | | | | |
| Access Electronic Processing (EPRO) system and enter required information, i.e., billing info., authorized distributor info., order info. | | | | | | |
| 172 Request to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center. | | | | | | |
| 173 Validable request is filled out correctly and all required information is obtained, i.e., BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | | | | | | |
| Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC or LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders. | | | | | | |
| 174 Approximate 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information. | | | | | | |
| Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC or LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders. | | | | | | |
| 175 Verify LOA is included with request. If no LOA, check BI for permanent position. | | | | | | |
| 176 Call originator of request if no LOA and no permanent notation in BI and request LOA be emailed or faxed. | | | | | | |
| 177 Call originator of request if no LOA and no permanent notation in BI and request LOA be emailed or faxed. | | | | | | |
| 178 Access RDA system, verify/obtain the correct PIC or LPIC code for the carrier requested. | | | | | | |
| Issue ASON (ACIS order/record change) order and verify order goes 2Pending. | | | | | | |
| Access ASON and manually create the order from scratch. | | | | | | |
| Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2Pending. | | | | | | |
| 179 (2Pending means the order is pending, there are no errors on the order. The order is ready to flow through on the due date and the order flows to downstream departments). If order goes 1Pending (error out; normally formatting error on PIC changes), MSS corrects order, end order and pulls order back up to view to ensure the order has flowed through to 2Pending. | | | | | | |
| 180 Access hole screen in BI and note order information. | | | | | | |
| Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email. | | | | | | |
| 181 Show request is complete. Send order confirmation to originator via fax or email. | | | | | | |
| 182 ACTIVITY ENDS WITH: | | | | | | |
| 183 Access POP system, pull up track number and complete the request. | | | | | | |
| Unit Activity Cost > SUM (LN 172.....182) | | | | | | |
| \$28.40 | | | | | | |

SBC - Michigan Study

Bill of Activity Costs

Presubscription Interexchange Carrier (PIC) Charge Charge Nonrecurring Cost Study

2005-2008

September 2004

Bill of Activity Costs

Add PIC protection for "ISDN Call Center (Centerx)"

ACTIVITY BEGINS WITH:

Request to add PIC or L PIC protection and Letter of Authorization (LOA)
are emailed or faxed into the center from the Authorized Distributor.

Project Manager or Sales group. Print request off email or gather

request off fax, ensure all paperwork for request is in the Center.

Review request, load into Productivity Order Profile (POP) system and
assign to Market Support Speciality (MSS).

Validate request is filled out correctly and all required information is

obtained, i.e., B1IN customer account information, Project Manager
information, etc. Access POP system and enter request. POP assigns
request to the next available MSS capable of working the task type (order
type). Exit POP system. Loader delivers the request to the assigned
MSS.

Access Electronic Processing (EPRO) system and enter required
information, i.e., billing info, authorized distributor info, order info.
Approximately 30-50 entities may be required to be populated (customer
name, bill telephone number, order number, circuit information, working
telephone number of PIC change). EPRO contains a lot of detailed
tracking information.

Check PPC process in RDA to verify all paperwork received for the add
PPC request, ex. (LOA, PPC add form).

Call originator of request if no LOA and no permanent notation in BI and
request LOA be emailed or faxed.

Issue ASON (ACIS/order/record change) order and verify order goes 3C
(Complete).

Access ASON and manually create the (R order) Record Order from
scratch. Approximately 20-30 entities may be required. End order and
pull order back up to view to ensure the order has flowed through to 3C
(Complete).

Access note screen in BI system and note order information (order
number and order request information).

Access EPRO system, pull up track number, x the appropriate field to
show request is complete. Send order confirmation to originator via fax
or email.

ACTIVITY ENDS WITH:

Access POP system, pull up track number and complete the request.

193 Unit Activity Cost > SUM (LN 184....192)

\$22.07

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| Bill of Activity Costs | | | | | |
|--|--|-----|---------------------|---------|-------------|
| <i>Remove PIC protection for "ISDN Call Center (Centrex)"</i> | | | | | |
| ACTIVITY BEGINS WITH: | | | | | |
| 194 | Request to remove PIC or LPIC protection and Letter of Authorization (LOA) are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center. | BCS | Technical Associate | \$58.85 | 1.00 |
| | Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS). | | | | 100% \$0.98 |
| 195 | Validate request is filled out correctly and all required information is obtained, i.e., BTN, customer account information, Project Manager information etc. Access POP System and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS. | BCS | Technical Associate | \$58.85 | 5.00 |
| | Access Electronic Processing (EPRO) system and enter required information, i.e., billing info, authorized distributor info, order info. | | | | 100% \$4.90 |
| 196 | Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, telephone number of where PIC code), EPRO contains a lot of detailed tracking information. | BCS | Technical Associate | \$58.85 | 5.00 |
| 197 | Check PPC process in RDA to verify all paperwork received for the remove PPC request, ex (LOA, PPC removal form). | BCS | MSS | \$69.13 | 0.50 |
| 198 | Call originator of request if no LOA and no permanent notation in BI and request LOA be emailed or faxed. | BCS | MSS | \$69.13 | 1.50 |
| | Issue ASN (ACIS order/record change) order and verify order goes 3C (Complete). | | | | 20% \$0.35 |
| 199 | Access ASN and manually create the (R order) Record Order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 3C (Complete). | BCS | MSS | \$69.13 | 5.00 |
| 200 | Access note screen in BI system and note order information (order number and order request information). | BCS | MSS | \$69.13 | 1.00 |
| | Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email. | | | | 100% \$5.76 |
| 201 | ACTIVITY ENDS WITH: | | | | |
| 202 | Access POP system, pull up track number and complete the request. | BCS | MSS | \$69.13 | 1.00 |
| 203 | Unit Activity Cost > SUM (LN 194.....202) | | | | \$22.07 |

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|--|--|--|--|--|--|--|
| Change PIC for "GEM" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 204 Receive the request via email or fax and reviews the request for accuracy or the customer calls into the center directly and advises the customer advocate wants to make a PIC or LPIC change. | | | | | | |
| 205 Verify PIC/LPIC request in Bill Inquiry/ACIS billing system. Access RDA if carrier code unknown. | | | | | | |
| 206 Explain rights if customer alleges a slam & complete slamming form FLUPS information to the SCRT team. | | | | | | |
| Fax LOA to customer on-line from desktop if customer has slamming protection on their account and LOA not included with request and verify customer to fax completed LOA back for our records. Customer advocate asks for permission to remove protection. If permission is granted, protection is removed. If not, order is canceled. | | | | | | |
| 208 Input service order into ASON order system. | | | | | | |
| 209 Verify the order is error free. Complete order confirmation via reply email to customer. Send order for processing via END command. | | | | | | |
| 210 Unit Activity Cost > SUM (LN 204....209) | | | | | | |
| Add PIC protection for "GEM" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 211 Receive the request via email or fax and review the request for accuracy or the customer calls into the center directly and advises the customer advocate wants to add PIC or LPIC protection. | | | | | | |
| 212 Email/fax applicable LOA (blank form) to customer to complete and return. | | | | | | |
| 213 Return LOA by customer via mail to the assigned customer advocate in the center. Service rep reviews form for accuracy and completeness. | | | | | | |
| Access account in ASON and add PIC or LPIC protection on each BTN account. This order will add PIC or LPIC protection to all lines each BTN account. | | | | | | |
| 214 Account | | | | | | |
| 215 Unit Activity Cost > SUM (LN 211....214) | | | | | | |
| Remove PIC protection for "GEM" | | | | | | |
| ACTIVITY BEGINS WITH: | | | | | | |
| 216 Receive the request via email or fax and review the request for accuracy or the customer calls into the center directly and advises the customer advocate wants to remove PIC or LPIC protection. | | | | | | |
| 217 Email/fax applicable LOA (blank form) to customer to complete and return. | | | | | | |
| 218 Return LOA by customer via mail to the assigned customer advocate in the center. Service rep reviews form for accuracy and completeness. | | | | | | |
| Access account in ASON and issue a record order to remove PIC or LPIC protection on each BTN account. This order will remove PIC or LPIC protection to all lines on each BTN account. | | | | | | |
| 219 Account | | | | | | |
| 220 Unit Activity Cost > SUM (LN 216....219) | | | | | | |

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Bill of Activity Costs

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|---|----------------------------------|------------------------|----------------------------|--|---------------|
| | | | | Unit Resource Cost (\$/hr) | Resource Driver | Resource Cost |
| | | | | Source: BORC | Source: Drivers | (G=E*F) |
| In Provide Customer Account Record Exchange (CARE)/ASC/POC support - All PIC Changes | | | | | | |
| 221 | CARE Support | CARE | Area Manager | \$73.25 | 104 | \$7,616.00 |
| 222 | CARE Support | CARE | Manager-NI | \$65.89 | 333 | \$21,328.19 |
| 223 | CARE Support | CARE | Manager-OH | \$78.06 | 83 | \$6,394.59 |
| 224 | IPOC Call Group | CARE | Service Representative | \$58.07 | 16 | \$905.89 |
| 225 | IPSC Collections | CARE | Service Representative | \$58.07 | 104 | \$6,039.28 |
| 226 | Unit Activity Cost > SUM (LN 21.....224) | CARE | | | | \$42,985.95 |
| Provide Customer Account Record Exchange (CARE)/ASC/POC support - Manual PIC Changes | | | | | | |
| 227 | IPOC Error Correction | CARE | Service Representative | \$58.07 | 2365 | \$137,309.07 |
| 228 | Unit Activity Cost > SUM (LN 227.....227) | CARE | | | | \$137,309.07 |
| Provide Slammer Administration support | | | | | | |
| 229 | Consumer Support | SCRT | Service Representative | \$54.79 | 1248 | \$68,377.92 |
| 230 | Business Support | SCRT | Customer Advocate | \$53.21 | 51 | \$2,711.58 |
| 231 | Unit Activity Cost > SUM (LN 229.....230) | CARE | | | | \$71,089.50 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| | | Unit Resource Cost (\$ per req.) | Resource Driver | Resource Cost | | |
| | | Source: Input | Source: Drivers | Source: Drivers | Resource Description | (F=G*C*D) |
| In Activities / Resources | | | | | | |
| Provide Third Party Verification for a customer PIC/LPIC change | | | | | | |
| 232 | Provide TPV for a consumer customer care PIC/LPIC change | | \$0.83 | 0.97 | % Time TPV Required for Consumer Customer Care | \$0.81 |
| 233 | Provide TPV for a business non complex PIC/LPIC change | | \$0.83 | 0.07 | % Time TPV Required for Business Non Complex | \$0.06 |
| 234 | Provide TPV for a business non complex PIC/LPIC and protect | | \$0.83 | 0.00 | TPV / Non Complex Add Weighting | \$0.0009 |

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| Bill of Resource Costs | | | | | | | | |
|------------------------|----------|------|-------------|------------------------------|-------------------------|--|---------------|--|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| Line | State | JFC | Work Group | Job Title | Labor Cost per Hour (1) | Factor to restate labor rate to current and adjust for inflation (2) | Weighting (3) | Adjusted Labor Cost per Hour (F)(G)(H) |
| 1 | OH | 23XX | Consumer | Service Rep | \$57.06 | 1.0716 | 27.25% | \$16.66 |
| 2 | MI | 23XX | Consumer | Service Rep | \$49.65 | 1.0716 | 24.27% | \$12.91 |
| 3 | IL | 23XX | Consumer | Service Rep | \$51.13 | 1.0716 | 38.60% | \$21.15 |
| 4 | OK | 23XX | Consumer | Service Rep | \$48.70 | 1.0716 | 9.88% | \$5.16 |
| 5 | Weighted | 23XX | Consumer | Service Representative | | | 100.00% | \$55.88 |
| 6 | MI | 23XX | Consumer | Technical Specialist | \$51.11 | 1.0716 | 100.00% | \$54.77 |
| 7 | IL | 23XX | BCS | Service Representative | \$51.13 | 1.0716 | 100.00% | \$54.79 |
| 8 | OH | 23XX | Non Complex | Service Representative | \$57.06 | 1.0716 | 26.61% | \$16.27 |
| 9 | MI | 23XX | Non Complex | Service Representative | \$49.65 | 1.0716 | 19.88% | \$10.58 |
| 10 | WI | 23XX | Non Complex | Service Representative | \$53.98 | 1.0716 | 53.51% | \$30.95 |
| 11 | Weighted | 23XX | Non Complex | Service Representative (Wtd) | | | 100.00% | \$57.80 |
| 12 | OH | 23XX | Global | Service Rep | \$57.06 | 1.0716 | 18.62% | \$11.39 |
| 13 | MI | 23XX | Global | Service Rep | \$49.65 | 1.0716 | 45.52% | \$24.22 |
| 14 | IL | 23XX | Global | Service Rep | \$51.13 | 1.0716 | 35.86% | \$19.95 |
| 15 | Weighted | 23XX | Global | Service Representative | | | 100.00% | \$55.26 |
| 16 | OH | 23XX | Global | Clerical Assoc | \$54.53 | 1.0716 | 18.62% | \$10.88 |
| 17 | MI | 23XX | Global | Clerical Assoc | \$52.71 | 1.0716 | 45.52% | \$25.71 |
| 18 | IL | 23XX | Global | Clerical Assoc | \$49.97 | 1.0716 | 35.86% | \$19.20 |
| 19 | Weighted | 23XX | Global | Clerical Associate | | | 100.00% | \$55.79 |
| 20 | IL | 23XX | BCS | Service Order Writer | \$54.92 | 1.0716 | 100.00% | \$58.85 |
| 21 | IL | 23XX | BCS | MSS | \$64.51 | 1.0716 | 100.00% | \$69.13 |
| 22 | IL | 23XX | BCS | Technical Associate | \$54.92 | 1.0716 | 100.00% | \$58.85 |
| 23 | IL | 23XX | BCS | Customer Advocate | \$51.13 | 1.0716 | 100.00% | \$54.79 |
| 24 | WI | 23XX | Sales | Service Representative | \$53.98 | 1.0716 | 100.00% | \$57.85 |
| 25 | IN | 23XX | CARE | Area Manager | \$68.35 | 1.0716 | 100.00% | \$73.25 |
| 26 | OH | 23XX | CARE | Manager-OH | \$72.84 | 1.0716 | 100.00% | \$78.06 |
| 27 | MI | 23XX | CARE | Manager-MI | \$61.49 | 1.0716 | 100.00% | \$65.89 |
| 28 | TX | 23XX | CARE | Service Representative | \$54.19 | 1.0716 | 100.00% | \$58.07 |
| 29 | OH | 23XX | SCRT | Manager | \$72.84 | 1.0716 | 100.00% | \$78.06 |
| 30 | IL | 23XX | SCRT | Service Representative | \$51.13 | 1.0716 | 100.00% | \$54.79 |
| 31 | MI | 23XX | SCRT | Customer Advocate | \$49.65 | 1.0716 | 100.00% | \$53.21 |
| 32 | MI | 23XX | SCRT | Area Manager | \$82.27 | 1.0716 | 100.00% | \$88.16 |

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| | Bill of Resource Costs |
|--|------------------------|
|--|------------------------|

NOTES:

(1) Labor rates located in input tab

(2) Restate to Current and Inflation Calculations:

| Labor Rate Base Year | Year | Value |
|---|------|--------|
| 2004 Wage Increase | 2003 | |
| 2005 Wage Increase | 2004 | 2.0% |
| 2006 Wage Increase | 2005 | 2.5% |
| Inflation to midpoint based on union contract increases | 2006 | 2.5% |
| | | 1.0716 |

- (3) The Consumer Service Representative, Global Service Representative and Clerical Associate, and Non Complex Service Representative can perform work for Illinois customers. The weightings were based on the number of employees located in each state doing the work function.

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| ACTIVITY DRIVERS | | | | | |
|--------------------|--|--|--|----------------------|--|
| Drivers | | | | | |
| (A) | (B) | (C) | (D) | (E) | |
| Driver Description | | | | | |
| Line | | Percent Orders by Channel Source: Input | Percent Manual Orders Source: Input | Value (E)=(C)/(D) | |
| 1 | % of manual orders worked by Consumer Customer Care center | 91.21% | 84.74% | 77.29% | |
| 2 | % of manual orders worked by Global Markets center | 1.06% | 84.74% | 0.90% | |
| 3 | % of manual orders worked by Complex - Sales (Signature Accounts) center | 1.15% | 84.74% | 0.97% | |
| 4 | % of manual orders worked by Complex - Sales Support (Signature Accounts) center | 0.36% | 84.74% | 0.31% | |
| 5 | % of manual orders worked by Non Complex (Value) center | 4.76% | 84.74% | 4.03% | |
| 6 | % of manual orders worked by ISDN Prime center | 0.04% | 84.74% | 0.00% | |
| 7 | % of manual orders worked by ISDN Direct center | 0.00% | 84.74% | 0.00% | |
| 8 | % of manual orders worked by ISDN Centrex center | 0.020% | 84.74% | 0.02% | |
| 9 | % of manual orders worked by GEM center | 1.44% | 84.74% | 1.22% | |
| Driver Description | | | | | |
| Line | | Quantity Add/Remove Protects Source: Input | Quantity Total PIC/PIC Changes Source: Input | Value (E)=(C)/(D) | |
| 10 | Ratio of Consumer Customer Care Adds to Total PIC Changes | 17338 | 2,671,472 | 0.0065 | |
| 11 | Ratio of Global Markets Adds to Total PIC Changes | 1477 | 2,671,472 | 0.0006 | |
| 12 | Ratio of Complex - Sales Account Adds to Total PIC Changes | 2300 | 2,671,472 | 0.0009 | |
| 13 | Ratio of Complex - Sales Support Account Adds to Total PIC Changes | 726 | 2,671,472 | 0.0003 | |
| 14 | Ratio of Non Complex Adds to Total PIC Changes | 2811 | 2,671,472 | 0.0011 | |
| 15 | Ratio of ISDN Prime Adds to Total PIC Changes | 10 | 2,671,472 | 0.00004 | |
| 16 | Ratio of ISDN Direct Adds to Total PIC Changes | 0 | 2,671,472 | 0.0000 | |
| 17 | Ratio of ISDN Centrex Adds to Total PIC Changes | 54 | 2,671,472 | 0.00002 | |
| 18 | Ratio of GEM Adds to Total PIC Changes | 5410 | 2,671,472 | 0.0020 | |
| 19 | Ratio of Consumer Customer Care Removes to Total PIC Changes | 1536 | 2,671,472 | 0.0006 | |
| 20 | Ratio of Global Markets Removes to Total PIC Changes | 1889 | 2,671,472 | 0.0007 | |
| 21 | Ratio of Complex - Sales Removes to Total PIC Changes | 1056 | 2,671,472 | 0.0004 | |
| 22 | Ratio of Complex - Sales Support Removes to Total PIC Changes | 333 | 2,671,472 | 0.0001 | |
| 23 | Ratio of ISDN Prime Removes to Total PIC Changes | 10 | 2,671,472 | 0.00004 | |
| 24 | Ratio of ISDN Direct Removes to Total PIC Changes | 0 | 2,671,472 | 0.0000 | |
| 25 | Ratio of ISDN Centrex Removes to Total PIC Changes | 46 | 2,671,472 | 0.000017 | |
| 26 | Ratio of GEM Removes to Total PIC Changes | 4322 | 2,671,472 | 0.0016 | |

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Nonrecurring Cost Study

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| Drivers | | | |
|---------|---|--|------------------|
| (A) | (B) | (C) | (D) |
| Line | Driver Description | Quantity Total PIC/PIC Changes Source: Input | Value (1 / C) |
| 27 | 1/Total PIC-LPIC Transactions | 2,671,472 | 0.0000003743 |
| | | | |
| (A) | (B) | (C) | (D) |
| Line | Driver Description | PIC/LPIC Changes by Channel Source: Input | Value (1 / C) |
| 28 | PIC/LPICS per Order - Consumer | 1.99 | 0.50 |
| 29 | PIC/LPICS per Order - Global | 50.00 | 0.02 |
| 30 | PIC/LPICS per Order - Complex - Sales (Signature) | 8.10 | 0.12 |
| 31 | PIC/LPICS per Order - Complex - Sales Support (Signature) | 8.10 | 0.12 |
| 32 | PIC/LPICS per Order - Non Complex (Value) | 4.66 | 0.21 |
| 33 | PIC/LPICS per Order - ISDN Prime | 83.52 | 0.01 |
| 34 | PIC/LPICS per Order - ISDN Direct | 2.00 | 0.50 |
| 35 | PIC/LPICS per Order - ISDN Centrex | 187.50 | 0.01 |
| 36 | PIC/LPICS per Order - GEM | 7.44 | 0.13 |
| 37 | PIC/LPICS per Order - Wrd Avg based on service orders | 2.83 | 0.35 |
| | | | |
| (A) | (B) | (C) | (D) |
| Line | Driver Description | % Time TPV Required Source: Input | |
| 38 | TPV Consumer Customer Care Change Weighting | 97.0% | |
| 39 | TPV Non Complex Change Weighting | 7.0% | |

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| Drivers | | | | | |
|---------|---|--------------------------------------|--|--|--------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| Line | Driver Description | % Time TPV Required Source: Input | Total Add Quantity Source: Input | Total Transaction Quantity Source: Input | Value $((F)=C*(D/E))$ |
| 40 | TPV Non Complex Add Weighting | 100.0% | 2811 | 2,671,472 | 0.0011 |
| (A) | (B) | (C) | (D) | (E) | (F) |
| Line | Driver Description | Number of Employees Source: Input | Resource me (annual hours) Source: Input | % Time Dedicated to Support Illinois Pic/LPIC Source: Input | Value $((F)=C*(D/E))$ |
| 41 | CARE Area Manager - IN Labor Hours | 1 | 2,080 | 5.0% | 104 |
| 42 | CARE Manager - MI Labor Hours | 1 | 2,080 | 16.0% | 333 |
| 43 | CARE Manager - OH Labor Hours | 1 | 2,080 | 4.0% | 83 |
| 44 | CARE Service Representative - TX Labor Hours (error correction) | 4 | 2,080 | 28.4% | 2,365 |
| 45 | CARE Service Representative - TX Labor Hours (call group) | 9 | 2,080 | 0.08% | 16 |
| 46 | CARE Service Representative - TX Labor Hours (collections) | 1 | 2,080 | 5.00% | 104 |
| 47 | SCRT Service Representative | 3 | 2,080 | 20.0% | 1,248 |
| 48 | SCRT Customer Advocate | 1 | 2,080 | 2.5% | 51 |

SBC - Michigan Study**Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study**

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| Glossary | | |
|--------------------------------|---------------------------------------|---|
| AAC1 | Intralata Access Carrier | ASON+ screen for Intralata carrier PIC changes. |
| ACIS | Ameritech Customer Information System | System that does billing of retail customers exchange tariff network access or channel services, equipment and/or usage products and services. It downloads billing based on bill periods. |
| ASC | Access Service Center | Location where service representatives are employed. The ASC was previously called the ICSC (Interexchange Carrier Service Center). |
| ASON | ACIS | Part of the ACIS ordering and billing system, used for the mechanized entry of retail service orders. ASON is used for the basic POTS service and ASON+ for the more complex products and services. |
| BCS | Business Communication Services | |
| BI | Billing Inquiry | Subsystem of ACS |
| BORC | Bill of Resource Costs | The section of the cost study that shows the cost of each resource. Resources can be labor such as a service representative's time or equipment such as a multipurpose position. In the case of this study it is labor. |
| BRI | Basic Rate Interface | |
| BTN | Billed Telephone Number | |
| CARE | Customer Account Record Exchange | Application that interfaces with the interexchange carriers to provide them with tariffed FCC mandated billing information and optional ALDIS products. |
| CCC | Consumer Call Center | Consumer group of service representatives taking inbound calls from customers. The service representatives handle inquiries for products and services offered by SBC-East. |
| CMI Aspen Compliance Statement | Competitive Response Database | Outside vendor that handles adding PIC/LPIC protection. Scripted request to access customer's records |
| CRD | Customer Service Record | Database that receives and sends files to downstream systems to process orders. |
| CSR | Computer Telephony Information | Reflects the customer's current lines and products with SBC. System used by service representatives to place and receive calls. |

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**Presubscription Interexchange Carrier (PIC) Change Charge
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2005-2008

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Glossary

| | | |
|------------|---|--|
| EAC | Equal Access Carrier | ASON+ screen for Intralata carrier PIC changes. |
| EPRO | Electronic Processing | Ordering system used in Brecksville (Ohio), Saginaw (Michigan) and Pewaukee (Wisconsin). |
| ESON | English Service Order Negotiation | The letter of authorization is sent to a customer when third party verification cannot take place over the telephone. The LOA is written authorization by the customer that a carrier change can take place and/or blocking protection can be added to the acc |
| LOA | Letter of Authorization | |
| LPIC | Local Presubscription Interexchange Carrier Presubscription | The Intralata carrier selected by the customer. |
| PIC | Interexchange Carrier | The Intralata carrier selected by the customer. |
| POP | Productivity Order Profile | An application which routes electronic orders to the proper Call Center and to an individual Customer Advocate, matching skills with order content. |
| PPC | Prohibit PIC Change | FID used to order add or remove PIC freeze. |
| PPL | PIC Protect Local | FID used to order add or remove LPIC freeze. |
| RDA | Reference Deployment Automation | An application that delivers web-based GUI to automate the manually intensive Rapid Deployment table update process. |
| Script Tag | | Scripted request to ask the customer if everything requested has been handled properly. |
| SCRT | Slamming Complaint Resolution Team | This group resolves all customer slamming complaints. |
| SPS | Service Provisioning System | Provides on-line entry of ISDN and Centrex provisioning requests. Mechanized means of transmitting Centrex provisioning forms from marketing downstream to network departments. Also provides a means of transmitting information provider requests between c |
| TPV | Third Party Verification | TPV by a third party vendor is required whenever a PIC/LPIC change is done or blocking protection is added to a customer's account. |

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| Input | Value | Source |
|-----------------------------|---|---------------------------|
| Input | | |
| Completion Date | September 2004 | |
| State | SBC - Michigan Study | |
| Cost Study Title | Presubscription Interexchange Carrier (PIC) | |
| Cost Study Subtitle 1 | Change Charge | |
| Cost Study Subtitle 2 | Nonrecurring Cost Study | |
| Study Period | 2005-2008 | |
| Midpoint | 2006 | |
| Labor Rate Base Year | | |
| | 2003 | |
| 2004 Wage Increase | 2.0% | 2004 Union Labor Contract |
| 2005 Wage Increase | 2.5% | 2004 Union Labor Contract |
| 2006 Wage Increase | 2.5% | 2004 Union Labor Contract |

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| Input | Value | Source |
|--|---------|--|
| Percent of Service Orders by Channel | | |
| Consumer | 91.21% | Associate Director-Ad Hoc Reporting |
| Global Markets | 1.06% | Global Orders (GBL & NAT) / Total Orders |
| Complex - Sales (Signature Accounts) | 1.15% | Associate Director-Ad Hoc Reporting |
| Complex - Sales Support (Signature Accounts) | 0.36% | Associate Director-Ad Hoc Reporting |
| Non Complex (Value Accounts) | 4.76% | Associate Director-Ad Hoc Reporting |
| Government/Education/Municipal (GEM) | 1.44% | Associate Director-Ad Hoc Reporting |
| ISDN Prime | 0.004 % | Associate Director-Ad Hoc Reporting |
| ISDN Direct | 0.00% | Associate Director-Ad Hoc Reporting |
| ISDN Centrex | 0.020% | Associate Director-Ad Hoc Reporting |
| Total | 100.00% | |

PIC/LPIC Changes per Request by Channel

| | |
|--|-------|
| Consumer Customer Care | 1.99 |
| Global Markets | 50.00 |
| Signature Accounts - Complex Sales | 8.10 |
| Signature Accounts - Complex Sales Support | 8.10 |
| Non Complex - Value Accounts | 4.66 |
| ISDN Prime | 83.52 |
| ISDN Direct | 2.00 |
| ISDN Centrex | 187.5 |
| PIC/LPICS per Order - Wtd. Avg based on service orders | 7.44 |
| | 2.83 |

Associate Director-Ad Hoc Reporting
 25 PIC and 25 LPIC changes per request (provided by Area Manager - Operations Support)
 Associate Director-Ad Hoc Reporting
 =SUM(Channel Orders * Channel % Orders) / Total Percent

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| Input | Value | Source |
|---|--------------|--|
| Manual PIC/LPIC Transactions | 2,263,736 | Area Manager - Quality/M&P/Process |
| Mechanized PIC/LPIC Transactions | 407,736 | Area Manager - Quality/M&P/Process |
| Total PIC / LPIC Transactions | 2,671,472 | Area Manager - Quality/M&P/Process |
| Percent Manual Transactions | 84.74% | Total Manual Orders / Total Orders |
| Provide Service Order Computer cost, per order | \$0.98 | IT SO Billed Cost Study (July 2004) 13 state average |
| Provide PIC IT Cost, per PIC Change | \$0.42 | IT PIC Billed Cost Study_R2 13 State Average (July 2004) |
| Third Party Verification - Cost per Order | \$0.83 | Contract rate per TPV (provided by: Associate Director Vendor Management |
| Outside Vendor (Personix) Add PIC/LPIC Protection | \$36,610.56 | Associate Director - Channel Delivery |
| Outside Vendor (CMi Aspen) Add PIC/LPIC Protection | \$7,986.55 | Manager - Quality/M&P/Process |
| Outside Vendor (Telspectrum) Remove PIC/LPIC Protection | \$10,194.16 | Associate Director - SBC External Teleservices |
| Change Order Confirmation Letter Cost | \$609,651.56 | Associate Director - DSL & Dial |
| Add/Remove PIC/LPIC Protection Quantities | | |
| Consumer - Add | 17,338 | Developed using a ratio based on West and Southwest PIC change data |
| Consumer - Remove | 1,536 | Developed using a ratio based on West and Southwest PIC change data |
| Global - Add | 1,477 | Developed using a ratio based on West and Southwest PIC change data |
| Global - Remove | 1,889 | Developed using a ratio based on West and Southwest PIC change data |
| Complex - Sales (Signature) - Add | 2,300 | Developed using a ratio based on West and Southwest PIC change data |
| Complex - Sales (Signature) - Remove | 1,056 | Developed using a ratio based on West and Southwest PIC change data |
| Complex - Sales Support (Signature) - Add | 726 | Developed using a ratio based on West and Southwest PIC change data |
| Complex - Sales Support (Signature) - Remove | 333 | Developed using a ratio based on West and Southwest PIC change data |
| Non Complex (Value) - Add | 2,811 | Developed using a ratio based on West and Southwest PIC change data |
| Non Complex (Value) - Remove | 774 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Prime - Add | 10 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Prime - Remove | 10 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Direct - Add | 0 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Direct - Remove | 0 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Centrex - Add | 54 | Developed using a ratio based on West and Southwest PIC change data |
| ISDN Centrex - Remove | 46 | Developed using a ratio based on West and Southwest PIC change data |
| GEM - Add | 5,410 | Developed using a ratio based on West and Southwest PIC change data |
| GEM - Remove | 4,322 | Developed using a ratio based on West and Southwest PIC change data |

SBC - Michigan Study**Presubscription Interexchange Carrier (PIC) Change Charge**
Nonrecurring Cost Study

2005-2008

September 2004

| Input | Value | Source |
|---|--------|--|
| Overhead Factor | | |
| Percent of time TPV required for Consumer Customer Care PIC/LPIC Change | 32.17% | Derived from ARMIS data |
| Percent of time TPV required for Non Complex customer PIC/LPIC Change | 97.0% | Manager - Quality/M&P/Process |
| Percent of time TPV required for Non Complex customer PIC/LPIC Add | 7.0% | Field Operations Manager |
| | 100.0% | Field Operations Manager |
| CARE Area Manager - IN | 1 | Area Manager - Quality/M&P/Process |
| CARE Manager - MI | 1 | Area Manager - Quality/M&P/Process |
| CARE Manager - OH | 1 | Area Manager - Quality/M&P/Process |
| CARE Service Representative - TX (error correction) | 4 | Manager - ASC |
| CARE Service Representative - TX (call group) | 9 | Manager - ASC |
| CARE Service Representative - TX (collections) | 1 | Manager - ASC |
| Annual Hours | 2,080 | Calculation (52 weeks x 40 hours per week) |
| CARE Labor Support | 5.0% | Area Manager - Quality/M&P/Process |
| % Dedicated to Support SBC Michigan - Area Manager IN | 16.0% | Area Manager - Quality/M&P/Process |
| % Dedicated to Support SBC Michigan - Manager MI | 4.0% | Area Manager - Quality/M&P/Process |
| % Dedicated to Support SBC Michigan - Manager OH | 28.4% | Manager - ASC |
| % Dedicated to Support SBC Michigan - Service Representative (error correction) | 0.1% | Manager - ASC |
| % Dedicated to Support SBC Michigan - Service Representative (call group) | 5.0% | Manager - ASC |
| % Dedicated to Support SBC Michigan - Service Representative (collections) | | |
| SCRT Service Representative | 3 | SCRT - Coach Leader |
| SCRT Customer Advocate | 1 | SCRT - Manager Call Center |
| SCRT Labor Support | 20.0% | SCRT - Coach Leader |
| % Dedicated to Support SBC Michigan - Service Representative | 2.5% | SCRT - Manager Call Center |
| % Dedicated to Support SBC Michigan - Customer Advocate | | |

SBC - Michigan Study

**Presubscription Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study**

2005-2008

September 2004

| Input | Value | Source |
|---|---------|--|
| Labor Rate Weightings | | |
| | | |
| Consumer | | |
| Ohio | 814 | 27.25% |
| Michigan | 725 | 24.27% |
| Illinois | 1,153 | 38.60% |
| Oklahoma | 295 | 9.88% |
| Total | 2,987 | 100.00% |
| Non Complex | | |
| Ohio | 174 | 26.61% |
| Michigan | 130 | 19.88% |
| Wisconsin | 350 | 53.51% |
| Total | 653.9 | 100.00% |
| Global - Service Representative | | |
| Ohio | 27 | 18.62% |
| Michigan | 66 | 45.52% |
| Illinois | 52 | 35.86% |
| Total | 145 | 100.00% |
| Global - Clerical Associate | | |
| Ohio | 27 | 18.62% |
| Michigan | 66 | 45.52% |
| Illinois | 52 | 35.86% |
| Total | 145 | 100.00% |
| OH - 23XX Service Representative | \$57.06 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Service Representative | \$49.65 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IL - 23XX Service Representative | \$51.13 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| OK - 23XX Service Representative | \$48.70 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Technical Specialist | \$51.11 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| WI - 23XX Service Representative | \$53.98 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Clerical Associate | \$54.53 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Clerical Associate | \$52.71 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IL - 23XX Clerical Associate | \$49.97 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IL - 23XX Service Order Writer | \$54.92 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IL - 23XX MSS | \$64.51 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IL - 23XX Technical Associate | \$54.92 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| IN - 23XX Area Manager | \$68.35 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| OH - 23XX Manager | \$72.84 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Manager | \$61.49 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| TX - 23XX Service Representative | \$54.19 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| OH - 23XX Manager | \$72.84 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |
| MI - 23XX Area Manager | \$82.27 | SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04 |